

FYI – For Your Information

Sales and Use Tax Exemption on Agricultural Compounds

GENERAL INFORMATION

Effective July 1, 1999, all sales and purchases of agricultural compounds that are consumed by, administered to, or otherwise used in caring for livestock are exempt from Colorado state sales and use tax; state-collected local sales and use tax; and any special district sales and use tax. This exemption also applies to all sales and purchases of semen for agricultural or ranching purposes. [39-26-716 (2) (d) C.R.S.]

“Agricultural compounds” means:

- Insecticides, fungicides, growth-regulating chemicals, enhancing compounds, vaccines, and hormones;
- Drugs, whether dispensed in accordance with a prescription or not, that are used for the prevention or treatment of disease or injury in livestock; and
- Animal pharmaceuticals that have been approved by the Food and Drug Administration.

The exemption for these compounds only applies to using the compounds in caring for livestock. Any of these compounds may be taxable when used in agriculture, unless exempted under another specific provision.

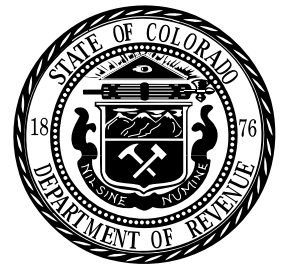
Home-rule/self-administered cities enact their own sales tax ordinances and collect their own taxes. Contact these cities directly for rules regarding sales taxes. For a list of home-rule cities, refer to “Colorado Sales/Use Taxes” (DRP 1002).

FURTHER INFORMATION

FYIs and commonly used forms are available on the Web at www.taxcolorado.com

For additional sales tax information visit the “Tax Information Index” at www.taxcolorado.com

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having authority to bind the Department, has not formally reviewed and/or approved these FYIs.



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